



U.S. Small Business
Administration

Agenda

- 1. Non-Monetary Assistance
from the US SBA and our Partners**
- 2. Financial Assistance from the US SBA
for Small Businesses and Non-Profits**
- 3. Additional Resources**

***These Slides are available to download at:
www.sba.gov/tx/houston***

Non-Monetary Assistance

Important Non-Monetary Assistance from SBA

SBA has three local Resource Partners

- Texas Gulf Coast Small Business Development Centers (SBDC)
- SCORE Mentors
- The WBEA Women's Business Center (WBC)

A range of help during the downturn, to include:

- Cash flow management / short term financial management
- Messaging / Social Media to stay engaged with customers
- Import/Export
- Supply Chain
- Strategic Planning and Financial Tune-Up; prepare to prosper after the disaster
- Planning for further disasters / Risk management / Insurance counseling

Contact Information

Small Business Development Center 713-752-8444 www.sbdc.uh.edu	Houston SCORE 713-487-6565 www.houston.score.org
Women's Business Center 713-681-9232 www.wbea-texas.org/womens-business-center	U.S. Small Business Administration 713-773-6500 SIGN-UP FOR EMAIL UPDATES: www.sba.gov/tx/houston FOLLOW US ON TWITTER: @SBA_Houston

Financial Assistance From the US SBA

Forbearance of Your Existing SBA Loan

7(a) Loans and Micro Loans

- For 7(a) loans, up to six (6) consecutive months
 - *Unless guarantee has been sold, in which case 90 days*
- For micro loans, up to six (6) consecutive months
 - *Deferment may not cause the loan to extend beyond the maximum six (6) year maturity*

504 Loans

- Up to six (6) consecutive months or 20% of the original loan amount, whichever is less

Existing Disaster Loans

- SBA will defer existing loan payments through December 31, 2020 automatically.
- Borrowers of home and business disaster loans do not have to contact SBA to request deferment.

The CARES Act

- Signed into law Friday, March 27, 2020
- SBA policy regarding the CARES Act is not yet complete
- You should read for yourself
- We can not offer legal interpretation of the Act
- We can not comment on portions of the Act unrelated to US SBA
- The complete CARES Act is located here:
- <https://www.congress.gov/bill/116th-congress/house-bill/748/text>

The CARES Act

DIVISION A—KEEPING WORKERS PAID AND EMPLOYED, HEALTH CARE SYSTEM ENHANCEMENTS, AND ECONOMIC STABILIZATION TITLE I—KEEPING AMERICAN WORKERS PAID AND EMPLOYED ACT

Sec. 1101. Definitions.

Sec. 1102. Paycheck protection program.

Sec. 1103. Entrepreneurial development.

Sec. 1104. State trade expansion program.

Sec. 1105. Waiver of matching funds requirement under the women's business center program.

Sec. 1106. Loan forgiveness.

Sec. 1107. Direct appropriations.

Sec. 1108. Minority business development agency.

Sec. 1109. United States Treasury Program Management Authority.

Sec. 1110. Emergency EIDL grants.

Sec. 1111. Resources and services in languages other than English.

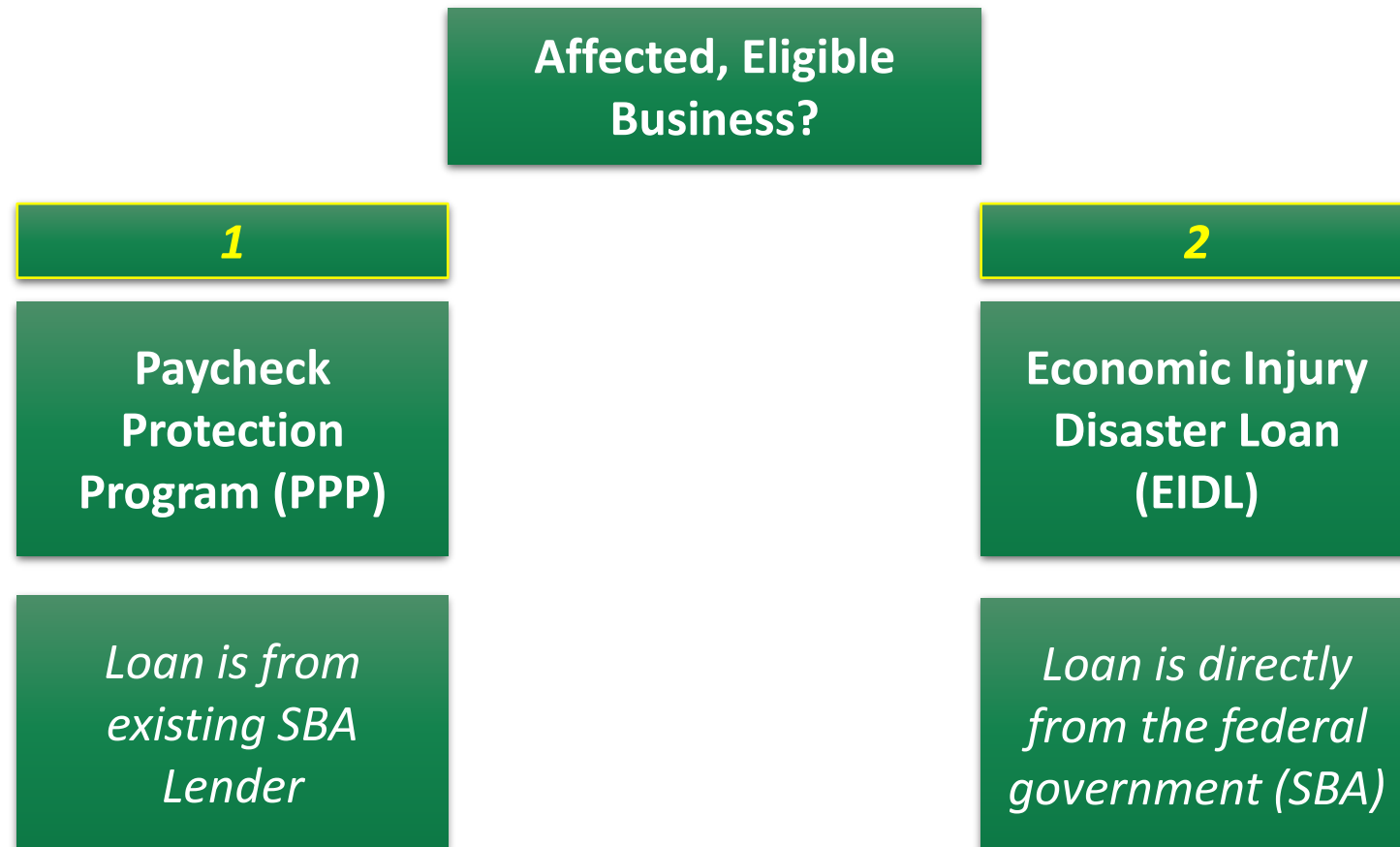
Sec. 1112. Subsidy for certain loan payments.

Sec. 1113. Bankruptcy.

Sec. 1114. Emergency rulemaking authority.

Changes Since Last Week

Passage of the Coronavirus Aid, Relief, and Economic Security (CARES) Act Gives Businesses **TWO** Choices for Relief



EIDL Loans

Official Statement on SBA website

- Small Business Owners are eligible to apply for EIDL due to COVID-19; business must have started prior to Jan 31 2020
- The CARES Act provides additional assistance for small business owners, including the opportunity to receive up to a \$10,000 Advance on an EIDL
- *The SBA is updating our system to implement this provision so small businesses can request an EIDL Advance when they apply for the loan. **This update will be available in the coming days.***
- In the interim you can still apply for a full EIDL, but will need to reapply for the Advance when the system is updated with a streamlined application.

Economic Injury Disaster Loans (EIDL)



Loans up to \$2 million; no payments for 12 months



3.75% interest rate for small businesses; 2.75% for private non-profits.



Long-term repayments up to 30 years



Small businesses, Small Ag cooperatives, and private non-profits are eligible



May be used for fixed debts, payroll, accounts payable and other bills affected by the disaster



May be approved solely on the applicant credit score.



Shall not require tax return or tax return transcript for approval.



May also use alternative methods to determine an applicant's ability to repay.

Additional EIDL Details

No cost to apply; No obligation to take the loan (if offered)

Amount is determined by SBA from your information

Existing SBA Disaster or Business loans do not make you ineligible

Personal guarantee requirements:

- None if loan is under \$200,000
- If over \$200,000 then guarantee from all 20% or greater owners

Credit Elsewhere – requirement is waived by CARES Act

Collateral:

- If over \$25,000 EIDLs require collateral
- SBA will not decline for lack of collateral, but requires the pledge of what is available
- Does not require primary residence in Texas

EIDL Emergency Grant

- Until Dec 31, 2020 affected small businesses may request an advance of not more than \$10,000
- Eligibility is determined by self-certification
 - under penalty of perjury pursuant to section 1746 of title 28 United States Code
- Payment should occur within 3 days
- Repayment is not required even if subsequently denied a loan
- Advance may be used to any purpose described in section 7(b)(2) of the Small Business Act ([15 U.S.C. 636\(b\)\(2\)](#)), including:
 - paid sick leave to employees unable to work due to the direct effect of the COVID-19
 - payroll to retain employees
 - increased costs to obtain materials unavailable due to interrupted supply chains
 - rent or mortgage payments
 - obligations that cannot be met due to revenue losses

NOTE: An applicant may receive an EIDL Loan and a PPP loan as long as the costs being paid with each are different (no "double-dipping").

How to Apply for EIDL

- **Works on iPhone with Safari / Chrome on Android**
- **If PC; works best with Internet Explorer or Microsoft Edge**
- For the COVID-19 disaster everything is online
- The website for applying for EIDL is www.sba.gov/disaster
- You may also contact the SBA disaster customer service center:
 - 1-800-659-2955
 - e-mail disastercustomerservice@sba.gov
 - TTY: 1-800-877-8339

Disaster Loan Assistance

Federal Disaster Loans for Businesses, Private Non-profits, Homeowners and Renters

COVID-19 ECONOMIC INJURY DISASTER LOAN APPLICATION



STREAMLINED PROCESS REQUIREMENTS

SBA is collecting the requested information in order to make a loan under SBA's Economic Injury Disaster Loan Program to the qualified entities listed in this application that are impacted by the Coronavirus (COVID-19). The information will be used in determining whether the applicant is eligible for an economic injury loan. If you do not submit all the information requested, your loan cannot be fully processed.

The Applicant understands that the SBA is relying upon the self-certifications contained in this application to verify that the Applicant is an eligible entity to receive the advance, and that the Applicant is providing this self-certification under penalty of perjury pursuant to 28 U.S.C. 1746 for verification purposes.

The estimated time for completing this entire application is two hours and ten minutes, although you may not need to complete all parts. You are not required to respond to this collection of information unless it displays a currently valid OMB approval number.

ELIGIBLE ENTITY VERIFICATION

Choose One:

- ☐ Applicant is a business with not more than 500 employees.
- ☐ Applicant is an individual who operates under a sole proprietorship, with or without employees, or as an independent contractor.
- ☐ Applicant is a cooperative with not more than 500 employees.
- ☐ Applicant is an Employee Stock Ownership Plan (ESOP), as defined in 15 U.S.C. 632, with not more than 500 employees.
- ☐ Applicant is a tribal small business concern, as described in 15 U.S.C. 657a(b)(2)(C), with not more than 500 employees.
- ☐ Applicant is a business, including an agricultural cooperative, aquaculture enterprise, nursery, or producer cooperative, that is small under SBA Size Standards found at <https://www.sba.gov/size-standards>.
- ☐ Applicant is a business with more than 500 employees that is small under SBA Size Standards found at <https://www.sba.gov/size-standards>.
- ☐ Applicant is a private non-profit organization that is a non-governmental agency or entity that currently has an effective ruling letter from the IRS granting tax exemption under sections 501(c),(d), or (e) of the Internal Revenue Code of 1954, or satisfactory evidence from the State that the non-revenue producing organization or entity is a non-profit one organized or doing business under State law, or a faith-based organization.

Review and Check All of the Following:

Applicant must review and check all the following (If Applicant is unable to check all of the following, Applicant is not an Eligible Entity):

- ☐ Applicant is not engaged in any illegal activity (as defined by Federal guidelines).
- ☐ No principal of the Applicant with a 50 percent or greater ownership interest is more than sixty (60) days delinquent on child support obligations.
- ☐ Applicant is not an agricultural enterprise (e.g., farm), other than an aquaculture enterprise, agricultural cooperative, or nursery.
- ☐ Applicant does not present live performances of a prurient sexual nature or derive directly or indirectly more than de minimis gross revenue through the sale of products or services, or the presentation of any depictions or displays, of a prurient sexual nature.
- ☐ Applicant does not derive more than one-third of gross annual revenue from legal gambling activities.
- ☐ Applicant is not in the business of lobbying.
- ☐ Applicant cannot be a state, local, or municipal government entity and cannot be a member of Congress.

The Form 5
Five pages
Only 2 for you to complete
Remaining 3 are instructions
This is Page 1

<input type="checkbox"/> Physical Damage -- Indicate type of damage <input type="checkbox"/> Real Property <input type="checkbox"/> Business Contents <input type="checkbox"/> Economic Injury (EIDL)		<input type="checkbox"/> Military Reservist EIDL (MREIDL) <small>(complete the following)</small> * Name of Essential Employee _____ * Employee's Social Security Number _____							
PLEASE PROVIDE ALL INFORMATION OR DOCUMENTATION REQUESTED IN THE ATTACHED FILING REQUIREMENTS. <small>* For information about these questions, see the attached Statements Required by Laws and Executive Orders.</small> Apply online at https://disasterloan.sba.gov/ela/ OR send completed applications to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, Texas 76155									
2. ORGANIZATION TYPE *Sole Proprietors should complete form 5C <input type="checkbox"/> Partnership <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Limited Liability Entity <input type="checkbox"/> Corporation <input type="checkbox"/> Nonprofit Organization <input type="checkbox"/> Trust <input type="checkbox"/> Other: _____									
3. APPLICANT'S LEGAL NAME _____		4. FEDERAL E.I.N. (if applicable) _____							
5. TRADE NAME (if different from legal name) _____		6. BUSINESS PHONE NUMBER (including area code) _____							
7. MAILING ADDRESS <input type="checkbox"/> Business <input type="checkbox"/> Home <input type="checkbox"/> Temp <input type="checkbox"/> Other _____ Number, Street, and/or Post Office Box City County State Zip _____ _____ _____									
8. DAMAGED PROPERTY ADDRESS(ES) BUSINESS PROPERTY IS: (If you need more space, attach additional sheets.) <input type="checkbox"/> Same as mailing address <input type="checkbox"/> Owned <input type="checkbox"/> Leased Number and Street Name City County State Zip _____ _____ _____									
9. PROVIDE THE NAME(S) OF THE INDIVIDUAL(S) TO CONTACT FOR: <table border="1"><thead><tr><th>Loss Verification Inspection</th><th>Information necessary to process the Application</th></tr></thead><tbody><tr><td>Name _____</td><td>Name _____</td></tr><tr><td>Telephone Number _____</td><td>Telephone Number _____</td></tr></tbody></table>				Loss Verification Inspection	Information necessary to process the Application	Name _____	Name _____	Telephone Number _____	Telephone Number _____
Loss Verification Inspection	Information necessary to process the Application								
Name _____	Name _____								
Telephone Number _____	Telephone Number _____								
10. ALTERNATE WAY TO CONTACT YOU <input type="checkbox"/> Cell Number _____ <input type="checkbox"/> E-mail _____ <input type="checkbox"/> Fax Number _____ <input type="checkbox"/> Other _____									
11. BUSINESS ACTIVITY: _____		12. NUMBER OF EMPLOYEES (pre-disaster): _____							
13. DATE BUSINESS ESTABLISHED: _____		14. CURRENT MANAGEMENT SINCE: _____							
15. AMOUNT OF ESTIMATED LOSS: <input type="checkbox"/> Real Estate <input type="checkbox"/> Inventory <small>If unknown, enter a question mark</small> <input type="checkbox"/> Machinery & Equipment <input type="checkbox"/> Leasehold Improvements _____ _____ _____									
16. INSURANCE COVERAGE (IF ANY) (If you need more space, attach additional sheets.)		Coverage Type: _____							
Name of Insurance Company and Agent _____ _____									
Phone Number of Insurance Agent _____		Policy Number _____							

The Form 5

Page 2

17. OWNERS (Individuals and businesses.) <small>(If you need more space attach additional sheets.)</small>						<small>Complete for each: 1) proprietor, or 2) limited partner who owns 20% or more interest and each general partner, or 3) stockholder or entity owning 20% or more voting stock.</small>					
Legal Name				Title/Office		% Owned		E-mail Address			
SSN/EIN*		Marital Status		Date of Birth*		Place of Birth*		Telephone Number (area code)		US Citizen <input type="checkbox"/> Yes <input type="checkbox"/> No	
Mailing Address						City		State		Zip	
Legal Name				Title/Office		% Owned		E-mail Address			
SSN/EIN*		Marital Status		Date of Birth*		Place of Birth*		Telephone Number (area code)		US Citizen <input type="checkbox"/> Yes <input type="checkbox"/> No	
Mailing Address						City		State		Zip	
<small>* For information about these questions, see the attached Statements Required by Laws and Executive Orders.</small>											
Business Entity Owner Name						EIN		Type of Business		% Ownership	
Mailing Address						City		State		Zip Code	
E-mail Address								Phone			
18. For the applicant business and each owner listed in item 17, please respond to the following questions, providing dates and details on any question answered YES (Attach an additional sheet for detailed responses).											
<div style="display: flex; justify-content: space-between;"> <div style="width: 80%;"> <p>a. Has the business or a listed owner ever been involved in a bankruptcy or insolvency proceeding?</p> <p>b. Does the business or a listed owner have any outstanding judgments, tax liens, or pending lawsuits against them?</p> <p>c. In the past year, has the business or a listed owner been convicted of a criminal offense committed during and in connection with a riot or civil disorder or other declared disaster, or ever been engaged in the production or distribution of any product or service that has been determined to be obscene by a court of competent jurisdiction?</p> <p>d. Has the business or a listed owner ever had or guaranteed a Federal loan or a Federally guaranteed loan?</p> <p>e. Is the business or a listed owner delinquent on any Federal taxes, direct or guaranteed Federal loans (SBA, FHA, VA, student, etc.), Federal contracts, Federal grants, or any child support payments?</p> <p>f. Does any owner, owner's spouse, or household member work for SBA or serve as a member of SBA's SCORE, ACE, or Advisory Council?</p> <p>g. Is the applicant or any listed owner currently suspended or debarred from contracting with the Federal government or receiving Federal grants or loans?</p> </div> <div style="width: 15%; text-align: right;"> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> </div> </div>											
19. Regarding you or any joint applicant listed in Item 17:											
<p>a) are you presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction; b) have you been arrested in the past six months for any criminal offense; c) for any criminal offense - other than a minor vehicle violation - have you ever: 1) been convicted, 2) plead guilty, 3) plead nolo contendere, 4) been placed on pretrial diversion, or 5) been placed on any form of parole or probation (including probation before judgement)?</p> <p style="text-align: right;"><input type="checkbox"/> Yes <input type="checkbox"/> No If yes, Name: _____</p>											
<p>20. PHYSICAL DAMAGE LOANS ONLY. If your application is approved, you may be eligible for additional funds to cover the cost of mitigating measures (real property improvements or devices to minimize or protect against future damage from the same type of disaster event). It is not necessary for you to submit the description and cost estimates with the application. SBA must approve the mitigating measures before any loan increase.</p> <p style="text-align: right;">By checking this box, I am interested in having SBA consider this increase. <input type="checkbox"/></p>											
21. If anyone assisted you in completing this application, whether you pay a fee for this service or not, that person must print and sign their name in the space below.											
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>Name and Address of Representative (please include the individual name and their company)</p> <p>_____</p> <p style="text-align: center;"><small>(Signature of Individual)</small></p> </div> <div style="width: 45%;"> <p>_____</p> <p style="text-align: center;"><small>(Print Individual Name)</small></p> </div> </div>											

After Applying

Loan Processing Decision

- Information verified; credit checked; you may be asked for more info
- Forecasts completed to determine the EIDL amount
- A loan officer contacts you; makes recommendations
- Decision normally takes up to 4 weeks

Loan Closes and Funds Disbursed

- Sign and Submit Loan Documents
- Initial disbursement of \$25K within 5 days
- Case Manager assigned that will help you with the rest

Important Final Notes About EIDL Applications

- If more funds are needed you can submit supporting documents and request an increase
- If less funds are needed you can request a reduction
- If denied you get six months to provide a written reconsideration request with new / supplemental information
 - If denied a second time, you get 30 days to appeal again
- Please complete and submit *everything* required

PPP Loans

PPP Loans Are From Existing SBA Lenders

- Who Are the Houston District SBA Lenders?
 - Apx. 200 SBA Lenders in the Houston District
 - They may be able to advise you as to the details of the PPP loans
 - A list of SBA lenders in the Houston District can be found at www.sba.gov/tx/houston under Coronavirus Resources



PPP Loan Programs Are Being Created

- Policy and Programs are being created as fast as we can
- During later webinars we will be able to share more detail
- In the meantime we refer you back to the Act itself for relevant details
- <https://www.congress.gov/bill/116th-congress/house-bill/748/text>
 - Section 1102 is about the PPP Program; Less than 10 pages

Non-SBA Additional Info

Additional Info / Resources

- JP Morgan Chase and Regions Bank programs
- Texas Restaurant Association Grant Program
- Galveston EDA Short-term Loan Program: <https://bit.ly/2UrL001>
- El Campo Chamber is starting a short-term loan program
- Your existing bank may do their own bridge loans
- *More coming...*

Contact Information

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Women's Business Center 713-681-9232 www.wbea-texas.org/womens-business-center	U.S. Small Business Administration 713-773-6500 SIGN-UP FOR EMAIL UPDATES: www.sba.gov/tx/houston FOLLOW US ON TWITTER: @SBA_Houston

Common Questions

- Which loan should I apply for EIDL or PPP? While only you as a business owner makes that decision, we provide a network of local, free resources to help in your decision process.
- Is the maximum loan amount of 2.5 times avg monthly expense for the PPP loan? This seems to be what the CARES act states, or \$10 Million, whichever is less.
- Can I apply for both EIDL and PPP? YES; however, you cannot duplicate benefits received.
- Are EIDL loans forgiven? NO
- I have already submitted my EIDL application can I submit for the payroll loan? YES, so long as you don't duplicate benefits included in the EIDL.
- Can I check status of my application online? YES, soon; email or phone
- What banks are offering PPP loans? See current list of SBA lenders at www.sba/tx/Houston. We do not current know which, if any, are offering PPP loans